

Selecting a WMS: Look before you leap

Modern warehouse management systems (WMS) have to be very flexible to master the challenges of increasingly complex supply chain networks, making their selection something of a challenge. Gursh Atwal, sales manager, AEB (International) comments

Globalisation, market volatility, economic uncertainty, changes in demand channels and different distribution strategies have led to a required scope of system functionality that many legacy systems can no longer keep up with. Today's WMS must offer multi-level, multi-site and multi-client inventory management, facilitate different picking strategies and material handling systems, support reliable demand forecasting, and cater for the distribution of store deliveries and online orders alike – to name but a few.

This makes it difficult for warehouse operators to choose the right WMS. Before signing on the dotted line, they should know exactly which internal and external factors affect their operations and what their requirements are. Considering the warehouse's central

position within global supply chains, companies should look for WMS providers that think far beyond the warehouse. A good WMS provides full visibility of inventory levels, both in the warehouse and in transit, and notifies suppliers and carriers when supplies are running low. This helps to consolidate and time deliveries, and reduce inventory levels to hold only the minimum stock required, allowing both management and warehouse staff to focus on their core tasks. The main goal is to increase productivity, with the same number of people working more efficiently. Instead of the stock

controlling the workforce, the workforce should be controlling the stock, proactively facilitating any peaks and shifts in demand.

Warehouse operators should look for end-to-end traceability of order items and returns management capabilities as essential functionalities. This is particularly important in case of product recalls, which can quickly lead to warehouse bottlenecks and turn into PR disasters. Powerful WMS solutions offer drill-down options for order tracking and KPI monitoring, e.g. from container level to stock keeping unit level, and collect all applicable progress reports and status messages on one centrally accessible platform. Returns management adds another complicated process that each warehouse operator must manage next to their core warehousing and distribution operations, often within the same facilities and at great expense. Not every WMS is able to handle the various returns strategies, keep a full audit trail throughout, and link each item with its original order to trigger related financial actions in the master ERP system.

The solution should offer a system architecture that is both modular and scalable, with the option to add functionalities if and when required. Crucially, it should integrate smoothly into existing IT landscapes and communicate with both internal (e.g. procurement, customs, shipping, sales) and external parties (e.g. suppliers, service providers, carriers). It should also integrate with upstream and downstream processes and systems, e.g. transport and global trade management, which supports comprehensive logistics execution and compliance with customs and global trade procedures.

Which model fits the respective distribution network and warehouse

operation depends not just on costs, but also on the required functional depth: Software-as-a-service WMS for example tend to be 'off-the-shelf' solutions that may be insufficient to manage multi-layered and complex warehouse operations, but can be suitable for standard distribution workflows. That's why investment options, functional requirements, sustainability and growth potential should be carefully examined before making a decision.

The choice of WMS depends on a company's individual requirements and goals – there is no one-size-fits-all solution. That's why it's crucial that the solution provider offers a consultative approach and a comprehensive portfolio and understands the specific needs of each supply chain sector, operation and perspective. They should offer an outside view and ask the right questions, assisting in-house teams to design improved workflows, cut waste and increase efficiency.

WMS can have a staggering impact on supply chain dynamics and performance. Whichever solution a company prefers, integration capability and visibility across the supply chain are vital. They form the foundation of collaboration between all supply chain partners, which is necessary to provide a comprehensive view of all goods in stock or transit, from production to final delivery. And the more information that is available to supply chain managers and warehouse operators in real-time, the faster they can respond to customer demands, increase efficiency and keep a competitive edge.

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